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# Minutes

## Board of Natural Resources

September 2, 2003  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

Doug Sutherland, Commissioner of Public Lands

Bob Nichols for Governor Gary Locke

Terry Bergeson, Superintendent of Public Instruction

Bruce Bare, Dean, University of Washington, College of Forest Resources

R. James Cook, Interim Dean, Washington State University, College of Agriculture and Home Economics

### BOARD MEMBERS ABSENT

Glen Huntingford, Commissioner, Jefferson County

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### CALL TO ORDER

Chair Sutherland called the meeting to order at 9:10 a.m. on Tuesday, September 2, 2003, in Room 172 of the Natural Resources Building.

### APPROVAL OF MINUTES

Chair Sutherland noted that the August Retreat meeting minutes are not complete and will be presented for approval at the October 7, meeting.

Chair Sutherland then recognized a former member of the Board, Dr. James Zuiches who was in the audience, and asked that he come forward. He then presented Dr. Zuiches with a plaque in honor of his participation on the Board and read the plaque:

*"In Honor of Doctor James Zuiches as Vice-Chair of the Board of Natural Resources from 1995 to 2003. For Strong Leadership, Outstanding Service, and Unwavering Commitment to the Board of Natural Resources and Their Trust Beneficiaries".*

Chair Sutherland expressed his sincere appreciation to Dr. Zuiches as well as the appreciation of many of the people within DNR that Dr. Zuiches has worked with, queried, provided constructive criticism to, and applauded. Dr. Zuiches has served the agency well and he will be missed.

Terry Bergeson said she promised to read the SEPA's and indicated how much she has learned from Jim over the years. She said she will miss his determination to do the job well and she wished him the best in his future endeavors.

Bob Nichols noted that he and Jim have worked together on many important milestones including the HCP, which was a contentious issue, but stated that Jim always held the high ground. His involvement

was thorough, professional, and he took the job of protecting the interests of the trust beneficiaries very seriously. He added that it was a pleasure to work with Jim and he wished him much luck in the future.

Bruce Bare thanked Jim for his advice when he himself became Dean and still tries to follow that advice. He also appreciated the kindness Jim showed him when he himself became a member of the Board.

James Cook said that Jim has set a high standard for the Dean of the College of Agriculture and Home Economics as well as an array of other responsibilities and stated that he would try to live up to that standard. He added that he will be proud to go back to the college and report that DNR recognized him in such an appropriate way.

Dr. James Zuiches began a farewell statement indicating that he has served as the Dean of the College of Agriculture and Home Economics for eight years and in that capacity served as a member of the Board of Natural Resources and he enjoyed that role immensely. He mentioned to James Cook that it was fortunate that one of his first activities on the Board was the annual retreat as they are extraordinarily valuable to learn about the duties and the responsibilities of the Board and the importance of community input into the decisions that the Board makes.

He then noted some of the accomplishments of the Board that he was especially proud to be a part of such as the Habitat Conservation Plan (HCP) - accepting and putting in place an HCP for the State of Washington was an enormous task, which was accomplished and has been moving forward as sustainable harvest calculations are considered. He also reflected on the tours/annual retreats the Board has taken and how the things learned on those tours are directly related to the actions the Board takes. He noted one tour in particular as a model of community involvement playing a strong role in the decisions that the Board makes - the tour of Lake Whatcom. He also appreciated the experience with the Lummi Tribe elders and what they taught the Board about sacred places, which are taken into account when decisions are made by the Board. He humorously mentioned that he regrets not getting the chance to site visit the Geoduck beds again pointing out that the site visits are invaluable.

He highlighted several things he learned from the forest appraisers who taught the Board about the principles of appraising timberland before setting prices for the transfer such as the Loomis Forest; faculty, researchers, and practitioners involved in timber production who have provided the Board with the benefit of their experience and expertise; the environmental community through its researchers and practitioners who have represented their expertise and perspective for input into the Board decisions; local leaders, county commissioners, elected leaders, and concerned citizens who have spoken to the Board over the years; and he expressed how proud he is to say that the response from the Board has always been principled in that the decisions were derived from concern for the beneficiaries both now and into the future and that those principles guided the decisions made by the Board.

Jim stated that the accomplishments have been enormous over the last eight years, and he is honored to have participated. He then thanked the Board for their recognition and he hopes that he has contributed as much as he has gained in the service on the Board of Natural Resources.

## **PUBLIC COMMENTS FOR AGENDA ACTION ITEMS**

### Marcie Golde - Washington Environmental Council (WEC) Board Member

Ms. Golde first thanked the Commissioner for the additional time he agreed to at the August retreat to review the silvicultural policies. She then called the Board's attention to a potential inconsistency in the proposed timber sale Rusty Ridge, indicating that on Page 3 under the "harvest method" it says "yarding may be suspended when soil rutting exceeds 4 inches..." She indicated that the current procedure 070

(which will be changed with the proposals, which is still uncertain because the Board has not received the comments) states that “if rut depth in mineral soil exceeds 4 inches, stop yarding until soil moisture include...” She said there is a difference in the language in the current timber sale to be approved today, which says, “may be suspended” and the language that Ms. Golde reads as mandatory language she reads as still being in effect “...if rut depth in mineral soil exceeds 4 inches stop...” She sees that contradiction as a discontinuity. She added that this was a timber sale that WEC commented on.

## LAND TRANSACTIONS

### Blumauer Road Purchase #08-075016 Resolution #1093 (Handout 1)

Evert Challstedt began with the location of the acquisition in Thurston county 20 miles south of Olympia and 1 mile southeast of Tenino. He mentioned that the property was included in a sealed bid auction through the Campbell Group (a land management organization based in Portland Oregon). The property is accessed from Blumauer County Road and is adjacent to DNR’s Blumauer Hill ownership. Acquisition provides two important benefits for the Department, 1) it provides unrestricted access to our larger block by connecting with and extending our ownership to the county road, and 2) gives DNR ownership of the ridge which has an active communications site lease and potential for additional communication site development. The property is zoned by the county for residential development, not long-term forestry. Acquisition increases the value of this trust block and positions the block for future management options.

Characteristics: 43 acres; county road access; 7 year Douglas fir; land use zone (RRR 1/5); communication site lease (45’ X 45’); lease income \$8,523/year (increase by 3%/year); 5 year renewal options to 2030; lessee is SpectraSite; improvements are lessee owned (130’ tower and equipment building).

Values: purchase price \$180,000 = \$4,186/acre; investment returns (net present value [NPV]) forestland @ 5.4% = \$64,000; communication site lease @ 7.5% = 116,000; total NPV = \$180,000.

Benefits: immediate lease revenue; potential for lease expansion; county road access; positions trust for future options; increases value of adjacent trust land.

Mr. Challstedt pointed out an issue that was brought up two weeks ago when a notice was received from the Campbell Group stating that a landowner to the north had filed an “adverse possession claim” on two acres in the northwest corner of the property. It was determined that this would change the department’s bid and the value was renegotiated. If they are unable to remove the claim at closing, the department will pay \$170,000 for the property, not \$180,000.

Terry Bergeson asked what “adverse possession” means?

Mr. Challstedt said it means the party claims that, through past history of use, they have had legal claim to the property. The owners claim to have used the area for the past thirty years.

MOTION: Terry Bergeson moved to approve Resolution #1093.

SECOND: Bruce Bare seconded.

DISCUSSION: Bob Nichols brought up the question of interface and the management problems it brings and suggested that this transaction appears to represent those difficulties, i.e., it is being purchased to possibly block up for timber production, yet as the trees grow and as development surrounds the area, there may be a lot of pressure to keep those trees as

trees and not harvested. He asked if that has been part of the discussion in connection to this property?

Mr. Challstedt said it was a concern and a large part of the discussion. He indicated that at such time we are unable to manage it for timber production we will be looking at other alternatives and the property will be appraised at its highest and best use value, which would include the timber value.

Bonnie Bunning came forward and added that currently the department sells properties in a variety of ways, some going to auction and some are sold through the trust land transfer program, but the valuation is at the market rate for higher and better use. Whether or not this piece of property ever gets developed is an open question; there could be a green market to keep it in open space that would also provide that enhanced value to the common school trust. It's not foregone that it must be developed but if the pressures reach that point, there will be options. In terms of value we will be better positioned to deal with whatever the pressures will be.

ACTION: Motion passed unanimously.

#### North Moses Lake Trespass #T3-074495 Resolution #1094 (Handout 2)

Debi VanBuren began with its location in Grant County just outside the city limits of Moses Lake directly across from the Grant County Fairgrounds. She reminded the Board that this parcel had previously been included in the Grant County Pilot Project that had been brought to the Board on June 25, but because of segregation requirements, it was decided to pull the parcel and treat it as a trespass.

Ms. VanBuren then provided a brief history of the property indicating it was acquired by the state as a Section 16 at statehood and for the last 100 years, sections of the property have been sold. This particular section is a 21' x 680' strip. Prior to 1967, the owner of the adjacent land developed his home site and in 1967 the department discovered that it had encroached onto common school trust land. At that time there was no mechanism to deal with real property trespasses so there was a lease placed on the property giving the homeowner the option of a ten year renewal with the idea that someday the department would find a permanent solution for this strip. In 2000 the Stroms purchased the property with the understanding that a permanent resolution would be provided. The lease will expire in 2007.

The property is zoned urban residential 3, and appraised value is \$4,500.

The resolution is to sell the 32 hundredths of an acre, which will dispose of land that is inefficient to manage for revenue income, and all costs will be paid by the Stroms.

MOTION: Terry Bergeson moved to approve Resolution #1094.

SECOND: Bruce Bare seconded.

ACTION: Motion passed unanimously.

#### Wilcox Purchase #08-074995 Resolution #1095 (Handout 3)

Julie Armbruster began by updating the Board (per their request) on a previous transaction noting that in May she brought before the Board a land sale proposal involving property leased for a home site and the lessee owned the building on the property and wanted to purchase the 6 acres in which the buildings were situated. The same family had been farming and leasing the property since the early 1930's and the

home was considered a family home but because the state can only sell land to private parties at public auction, there was a risk that another purchaser could come in and buy the land including the houses. She was pleased to report that the lessees were the successful bidders and will retain their family home.

Ms. Armbruster then began with the Wilcox proposal indicating its location north and west of Pullman near the community of Wilcox with 1,013 acres of dryland farm that produces mainly wheat and barley. The terrain is rolling hills with some steep areas and flat ground in the creek bottom. It has access from county roads and has some frontage along Highway 26. It is owned by the Teade family and being sold through Clearwater Investments (a transactions facilitator). The Purchase and Sale Agreement is with Clearwater Investments so both parties are referenced.

Most of the property is farmed and the sellers are using farming techniques to help control erosion. The property comes with a house and storage sheds and the state will own them but the lessee will be responsible for maintenance and repairs. There are two gravel pits that were sold to Whitman County and will not pose any management problems. The property has good access providing easy transport of grains to market. The production capacity per acre is 72 bushels of winter wheat, 50 bushels of spring wheat, and 85 bushes of barley. The ground is also suitable for peas, lentils, mustard, and canola.

The property will be sold subject to a ten-year lease by the Teades and is a crop-share lease in which the state receives 28% of the revenue (28% is estimated at \$56,000/year) and represents a 5.4% rate of return on the investment. The acquisition is funded by the Trust Land Transfer Project and the purchase price is \$1,035,000. Benefits: adds productive agriculture property to the Common School Trust portfolio; comes with lease in place allowing for immediate income; and the property is of sufficient size and quality that it will attract future bidders when current lease expires.

Terry Bergeson asked what the characteristics of this property were that allow the trust land transfer?

Ms. Armbruster said there are several appropriations for purchasing land and they are trying to make a conscientious effort to spend trust land transfer dollars sooner rather than waiting until the end of the biennium.

Terry Bergeson said this seems to be a straight business transaction that will provide money to the beneficiaries, but she thought the trust land transfer was intended for purchases for conservation efforts where no income is involved.

Ms. Armbruster explained that there are three different appropriations - real property replacement, land bank, and trust land transfer, and all are interchangeable regarding which funds for which lands.

Bonnie Bunning - Executive Director of Policy & Administration, came forward and added that there are two appropriations within the trust land transfer program, 1) money to buy trust lands from the common school that are suitable for conservation and put them in a conservation status, and 2) the land value portion that is appropriated into a replacement account which is intended to buy productive lands such as this.

MOTION: Terry Bergeson moved to approve Resolution #1095.

SECOND: Jim Cook seconded.

ACTION: Motion passed unanimously.

## TIMBER SALES

### Marketing Update and Proposed Timber Sales for October 2003 (Handout 4)

Jon Tweedale - Product Sales Manager, began with internal marketing and operations starting with product marketing and timing. An Optimization model has been developed, which looks at product mix and that product mix is moved into the appropriate month. Another part of marketing is mix such as a pole sale i.e., transmission poles or light utility poles and how to market those products. There are scale sales, and with approval of our legislation we have contact harvesting sales where we will sell directly to saw mills or directly to merchandisers and marketers. He then illustrated a market-timing graph (Slide 5) showing FY02 and FY03.

### *Operations*

Internal operations has developed an integrated product identification tool, which will implement a seamless solution between inventory and the GIS database, linking that to the Optimization model for marketing. He also noted that costs have been reduced by 41% and staff have worked hard at prioritizing sale preparation to match auction timing.

### *July Sales Results*

6 sales offered and 5 sold; 22.6 mmbf offered and 22.4 mmbf sold; \$4.3 million minimum bid and \$5.2 million sold; \$189/mbf offered and \$233/mbf sold; average number of bidders 4; 22% above minimum bid.

### *August Sales Results*

9 sales offered and 9 sold; 25 mmbf offered and 25 mmbf sold; \$4.6 million minimum bid and \$6 million sold; \$186/mbf offered and \$239/mbf sold; average number of bidders 5; 29% above minimum bid.

Chair Sutherland noticed that hemlock is up which pulls our average down, and Douglas fir was up substantially. He asked if this was a trend or is it a market response?

Mr. Tweedale stated that there were economists predicting that there would be a slight upturn in the market place over the long-term. The markets have strengthened somewhat with the low mortgage rates and housing starts were up. He indicated that we are seeing the effect of that strengthening market but he did not know if it was a trend but they would be watching it.

### *Proposed October Sales*

10 sales @ 37.2 mmbf; \$7.2 million minimum bid; average \$192/mbf. He indicated that there are a number of thinning sales being offered.

Bob Nichols asked what a "Phase Patch" is (noted in the Rusty Ridge sale)?

Mr. Tweedale said the Rusty Ridge sale is a harvest operation study and it includes several types of harvest units within that study. He indicated that it is a joint study between the US Forest service and DNR. We are doing a number of different partial harvest cuts "Phase Patch" cuts. He believed it was a combination of thinnings with openings in the unit. He said he would get a more detailed answer.

Mr. Tweedale then addressed an earlier public comment made by Marcie Golde of WEC indicating that the notices are simply notices, they are not contracts, although the procedures says "will" it is important to remember that the regional contract administrator is the person responsible for implementing our policies and procedures and if they have concern about impact on the public resource, they have ultimate authority to shut down a sale at any time regardless of the condition. If the full context is read it states that the contract administrator may suspend operations.

Jim Cook asked for clarification on the “leave trees per acre” indicating that some are very precise such as 8 trees per acre while others have a range of 8 to 100?

Mr. Tweedale said it varies by unit. If there are two or three units there may only be a partial cut or thinning in one unit leaving 20 to 50 trees per acre or perhaps a regeneration cut where there would be 8 trees per acre left (no less than 8 trees per acre). He stated that if there is a range then that indicates there are several units within the sale.

Bruce Bare pointed out the inconsistencies within the terminologies i.e., regeneration cut, seed tree, and in his understanding, regeneration is a clearcut.

Mr. Tweedale said that regeneration is a final harvest and has many variations but it is not a clearcut. The true definition of a clearcut is “no trees left per acre.” He agreed that there has been confusion with the definitions and thought it may be a good time to distribute them again.

MOTION: Bruce Bare moved to approve October 2003 timber sales.

SECOND: Terry Bergeson seconded.

ACTION: Motion passed unanimously.

Break 10:30.

Reconvened 10:45

## **CHAIR REPORTS**

Chair Sutherland congratulated Terry Bergeson, Superintendent of Public Instruction, for the improved test scores throughout the state and thought it to be a remarkable achievement.

Terry Bergeson expressed her gratitude and noted that for the first time in the history of the State of Washington, we were first in the nation on the Scholastic Aptitude Test (SAT) and the WASL scores were also up. She is very excited about the continued growth within the various programs and she believes the K-12 system is giving the best return on investment in the state.

Chair Sutherland then indicated that the Transitions Lands Report would not take place today as many of the pertinent staff members are out fighting fires. It will be deferred until next month.

He also noted that the Farewell Creek Fire presentation would move ahead of the SHC discussion.

### Farewell Creek Fire (Handout 5)

Bonnie Bunning - Executive Director of Policy & Administration, and John Viada, Northeast Region Manager, presented. Ms. Bunning began by indicated the fire was in Okanogan County northeast of the Meadow Valley with approximately 84,000 acres entirely on federal land. The fire was burning in very dry conditions within thick diseases stands. The northern most portion of the Loomis Forest is the north portion of the natural resource conservation area (she illustrated on the map - Handout 5). Late in July the fire moved quickly (30,000 acres per day) towards the northeast and at that time fire managers had to make quick decisions about how to contain the fire. Some decisions were made to put a fireline in, in advance of the fire along with the Loomis Forest boundary, with the Forest Service, and cutting up to the 14-mile road, which was an existing road through the conservation area. The work was done but the fire

did not travel as far as it was predicted to and they are now in the process of rehabilitating that line, which was using an old road, but extended about 100 feet in width. There were also some safety zones created in old clearcuts and logging landings should the firefighters need a safety zone. It is understandable that the impact to the ground in a conservation area is distressing, and we remained in communication with the Eco System Alliance because it was recognized that those who paid to acquire that land would be interested.

Ms. Bunning drew the Board's attention to the second page of the handout, which is a copy of an editorial from the Seattle Times written by Mitch Friedman who takes issue with the fire fighting policies, and she wanted the Board to be aware that there is some controversy around this and in general with fire fighting. She then asked John Viada to provide details.

Mr. Viada said that what was looked at in July, when the fire made the 30,000-acre run, in conjunction with the Forest Service, was how to stop the fire before it reached the Loomis Forest. Within the Loomis Forest there is a dense canopy of trees filled with dead trees from bug kill. They had flown over in a helicopter to determine alternative lines that were considered and it was determined to build a line before the fire ever got to the Loomis. All of the projections from the fire behavior analysts indicated that we had 4 to 6 days before it would reach the Loomis. Based on those predictions, it was decided that the first place the fire could potentially be stopped was the clearcut area and logging landings and that was the option selected. Fortunately the weather cooperated and they worked the crews down along the edge very carefully and pinched off the fire.

Bruce Bare asked how far the fire was from the Loomis when it was contained?

Mr. Viada wasn't sure.

Terry Bergeson asked, in terms of legal issues and conservation status, if there is something within the protocol that states what we are allowed to do regarding fire danger?

Ms. Bunning said yes, our current statutory mission is to contain and suppress fires and act aggressively. She also noted that this past year the Loomis Natural Resource Conservation Area Management Plan, which included a fire management plan, recognized the potential need for fire fighting tactics such as this and called for us, to the greatest extent possible, use existing roads and old landings, and avoid sensitive areas, and we did our best to follow that plan. We will look back and see if there is room for improvement for the future. Had the fire line not been placed where it was, the next alternative was the Sinlahekin Valley in which case 80% of the Loomis State Forest could have been consumed.

Terry Bergeson asked if the rehabilitation of the fire line would be beneficial or destructive?

Ms. Bunning said it would be beneficial i.e., the road that was used will be removed so access will be limited and there will be native seeds used for plantings on the road itself. There will be discussions with a fire ecologist and the Eco System Alliance to ensure we understand all of the concerns. There is already a plan in place to do this and funding issues are what remain.

Chair Sutherland clarified that the decision to build the fire stop was made with 4 days lead time by the fire behavioralists, and if the fire continued at the rate it was going it would have been to the line within four days. He then asked Mr. Viada how many days it took to construct the line?

Mr. Viada said it took ten days to make it defensible.



Chair Sutherland noted that this fire was in close proximity to the 30-mile fire where four fire fighters lost their lives.

Mr. Viada said yes, it was just south of the area.

Chair Sutherland noted that as one of the primary concerns about having firefighters out where there are no safety zones.

Mr. Viada concurred stating that he did not believe that people were being overly cautious.

Chair Sutherland stated that he has asked his staff to go back and look at it. He noted that the road area took out about 50 acres and is a relatively small price to pay to save somewhere in the 100,000 acre range and he concurred with the recommendations.

Bruce Bare stated that it cost \$35 million to fight the Farewell Fire and he asked if there was an estimate on what portion of that DNR paid.

Chair Sutherland said the \$35 million was a federal number and the department participated with them and that the department will be reimbursed. The cost of building the fire stop was on state and private lands, which the department will incur the cost of and could run \$3 to \$3.5 million. The cost of rehab will be folded into that as well.

#### Sustainable Harvest Calculation (Handout 6)

Bruce Mackey - Lands Steward, and Angus Brodie - Land Management Assistant Division Manager, presented.

Mr. Mackey provided an updated timeline then emphasized key areas. He indicated they would put together a schematic to the Board and to the public that will tie together the process and the timing as the SHC is prepared including the review of the Forest Resource Plan; review of pertinent policies that will need to be considered depending on the alternative chosen; and timing in connection to the EIS and the FEIS. Mr. Mackey indicated that Craig Partridge - Policy Director, offered to help prepare the information and have it available for the Board in October. He also said times and dates are being determined for the various public input meetings, workshops, etc., and Mr. Brodie would provide that information.

Mr. Brodie began by acknowledging the Board's request to know more about the un-zoned management approach. He stated that the un-zoned management concept was outlined in the HCP for the OESF and the concept is that the forester has no special zones that are set aside exclusively for species or commodity production, which is different from current HCP strategies for the majority of the westside where there are zones such as riparian, marbled murrelet, or northern spotted owl, which are set asides with specific objectives for those. In the OESF there is a slightly different level of management, which includes riparian management zones but they are also landscape level management objectives to meet certain habitat levels. We incorporated those concepts into the models that represent the OESF into the alternatives currently going through the EIS. A model for this approach has been developed for the whole westside and those results will be brought forward in October and there will be a discussion around the un-zoned forest management concept in more detail. He pointed out the OESF is particularly interesting under the different approaches that have been applied and it highlights the necessity for having very clear and specific objectives. Also to be brought forward in October is the information related to the social economic resiliency study that Jean Daniels (doctorial student) has been doing using the methodology of Richard Haynes, a forest economist with the US Forest Service. The study looks at how counties in

western Washington respond to economic change and the level of dependency on a particular industry. The industry that was focused on is DNR forest and timber management.

Mr. Brodie then referred to the timeline (Handout 6) indicating that publication of the DEIS in October is unlikely so it will not be presented at the October Board meeting, it will be delayed until the November Board meeting.

Terry Bergeson asked if that means the Board will only look at alternatives to determine the impacts, but not the DEIS.

Mr. Brodie said yes and added that there would also be an in depth discussion about the un-zoned approach and how policies and different approaches will impact revenue flow and habitat development, but without the environmental analysis information at that point.

Terry Bergeson wanted to be sure the Board would be looking at the net-gain that will be made from the six alternatives and wondered if that has to be balanced by the DEIS?

Mr. Brodie said yes.

Terry Bergeson then clarified that the Board would then get the net impact, in terms of output to the trusts and what the implications are, then go back over that information with each of the six alternatives in November with the DEIS.

Mr. Brodie said yes, they would be published for the Board to review at the November Board meeting. The plan is to set up the comment period in November so the public will have an opportunity to comment on the DEIS. He also noted that they are setting up a series of meetings around the westside of the state to hear more details about the DEIS and also to comment. Just after the comment period the Board will participate in a workshop in December which will go into more detail around the financial analysis and the DEIS.

Terry Bergeson mentioned that at the retreat in August, there was discussion about when the comment periods would take place. It was also noted that people wanted the opportunity to comment after the Board selected an alternative. It appeared to Terry that there were plenty of comment periods being offered prior to the Board making a choice but not many after, and she believes that is when the comment period will be critical.

Mr. Brodie said that has been built in to the process. He then referenced the timeline indicating the first comment period, which will run from November to December and will be for comments on the six alternatives, the DEIS, the financial analysis, and to provide comments and opinions of what the Board should select as a preferred alternative or the elements of what should be in that alternative.

Terry Bergeson clarified, if people disagree with the results or have concerns that they don't think have been addressed by the EIS, they can bring that to the Board?

Mr. Brodie said yes.

Terry Bergeson then asked about the focus of the December workshop for the Board?

Mr. Brodie indicated that it would be focused on the details of the financial analysis and the DEIS. He said there is another Board workshop being scheduled in January to get back the public comments that

relate to the preferred alternative and a summary of those comments would be provided to the Board. Other comments will relate to the analysis of the DEIS, which they will need to respond to in the FEIS.

Bruce Bare asked what would be brought to the Board in October?

Mr. Brodie said there would be a discussion around the un-zoned management approach and the results in the OESF as well as the social study.

Chair Sutherland pointed out that to determine what the un-zoned alternative would be would necessitate an environmental review and also require significant negotiations with our federal agency partners under the HCP. It would require both SEPA and NEPA and take approximately 2-3 years to complete.

Terry Bergeson brought up the retreat discussion stating that if the un-zoned approach looked beneficial enough, then we could go back to one of the six alternatives or possibly a mix of options out of the six. She stated that if there doesn't appear to be a benefit then there is no need to run NEPA's and SEPA's and we should stay with the six, but it was something the Board wanted to explore.

Terry then wanted to clarify the November Board meeting, asking if the Board would be looking at both the net fiscal impact and the DEIS and have a study session on that, which would then kick off a series of public meetings to share all of that information. She then asked if the Board would be looking at a preferred alternative at the March Board meeting.

Mr. Brodie said yes, the DEIS would be released in November along with the financial analysis and the November Board meeting would be the kick off meeting to the public meetings, which has been shortened from 45 to 40 days.

Mr. Mackey clarified that from November 10, to December 19, they would have the 40-day comment period and five public workshops/meetings around the state; in mid-December a workshop for the Board; and mid/end of January another workshop for the Board.

Mr. Brodie clarified that the December workshop for the Board would be to look at the detail of the DEIS and the financial analysis. The second workshop in January would be for the Board to look at the public comments received from the 40-day comment period to assist the Board to design and select an alternative or the elements of a preferred alternative. He indicated that there would be a Special Board meeting on February 17, to finalize the preferred alternative.

Mr. Mackey added that after the February 17, meeting, there would be two more public workshops the week of February 23, to obtain public input for the alternative that the Board is considering.

Bruce Bare asked if there had been dates set for the two Board workshops?

Chair Sutherland said no, he had planned to check to Board member's calendars. He recognized that the 40-day comment period would end on December 19, very near the holidays, which could pose scheduling difficulties.

Bob Nichols asked if the two workshops could be on the same day rather than having segmented presentations, suggesting it would simplify the scheduling difficulties?

Bruce Bare said he would like to have first workshop earlier in December (before the last two of the first set of public meetings) so the Board has allotted time to listen to the summaries of the public comment

but also to begin a discussion, which may involve mixing and matching as a preferred alternative is selected, and he said it will take two workshops to do that.

Bob Nichols said he doesn't mind two separate workshops, but he wondered if there is a benefit to having a workshop that will only provide partial public comments or part of the information as opposed to having all of the information at one time.

Terry Bergeson thought the public comment is only part of the picture stating that she wants to understand the environmental impacts and she said receiving the information separately would be fine. She stated that if she understands the process and the issues first, then she will be better equipped to process and contemplate the public views. She added that two meetings a month would be difficult for her and suggested combining the regular Board meetings with the workshops (workshops in the afternoon).

Chair Sutherland suggested that due to the delay in the publication of the DEIS, the November 4, Board meeting be moved the following week Monday, Tuesday, or Wednesday (10, 11, or 12) and for the December & January Board meetings the Board would convene for the 2 workshops immediately following the regular meetings.

Bob Nichols asked if the agenda could be limited to action items only and focus on the workshop discussions?

Chair Sutherland said yes.

Terry Bergeson also suggested that the January Board meeting could also include lengthy discussion if there is enough to work with.

Bruce Mackey stated that he had just checked with staff and the November meeting could be moved to 10, 11, or 12.

Chair Sutherland reiterated that there will be a Special Board meeting on February 17, to finalize the preferred alternative.

## **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

### Bob Dick - Manager for the Washington American Forest Resource Council

Mr. Dick commented on the markets pointing out an interesting dynamic noting that he does not believe it to be a permanent dynamic - the Iraq war has had an impact on lumber and panel markets, and plywood prices are higher than they have been for a long time. Wood markets are affected by the demands of our government has made on the industry to provide wood (especially plywood) to help patch together Iraq. The second factor affecting markets are the fires in Canada. Their forests and mills are shut down having a dramatic impact on wood supply coming into the US from Canada. Those two things have driven the markets up but he indicated a third factor is because the markets have been depressed, buyers and suppliers have kept inventories at very low levels, so any fluctuation in the market or in the demand means they have to go out and buy the wood leaving very little elasticity in the production and purchase process. He stated that this is not a long-term situation.

Mr. Dick also noted that many years ago he stated to the Board that defacto wilderness areas do not belong inside a managed forest i.e., there are expectations from the people that paid money to have the lands set aside in the Loomis Forest and they think those lands are going to remain the way they are

today and that nothing is going to happen on those lands that will change their current status and that's not true. There are fire tails on the lands and the lands are subject to fires coming from all different directions. There are fires on managed and unmanaged lands and they need to be controlled and creating a situation where defacto wilderness is adjacent to a managed land based that is under a mandate to protect the lands presents a series of very difficult decisions for the land manager. He concurred with DNR's decision to create the Farewell Creek fire barrier.

Mr. Dick concluded with comments about the proposed \$3 million fire trail, suggesting the money could be saved stating that the Loomis Forest is not fire proof and is still highly susceptible to fire especially with the federal lands full of dead wood and insect infested timber. He suggested that if there is a way to keep the fire trail it should be kept.

#### Rod Fleck - Attorney for the City of Forks

Mr. Fleck urged the Board not to select Veterans Day as their substitute meeting date in November. He then brought up the sustained harvest calculation and expressed his appreciation for all of the efforts taking place and acknowledged how difficult and complex the work on the project has been. It has been a monumental effort, it has been intriguing, inspiring, and remarkable in its magnitude. He looks forward to the schematic and he hopes it will help clarify the role of landscape planning and how the OESF fits into the process.

Chair Sutherland asked Bruce Mackey (from the audience) where the public meetings are going to be held.

Bruce Mackey came forward and stated that the five suggested locations for the public workshops are Port Angeles, Aberdeen, Vancouver, Olympia, and Marysville. Issaquah and Centralia are being considered for the two public workshops in February.

Bob Nichols wondered about a past discussion in which an eastside location had been suggested.

Mr. Mackey said that had not been done to date.

Todd Meyers - Communications Director, (from the audience) said that there had been a meeting in Ellensburg and only six people showed up so due to the low interest it was decided to focus on the westside.

#### James Ridgeway - Retired from DNR for 25 Years

Mr. Ridgeway commented on the Farewell Creek Fire and supported DNR's activities. With his 32-plus years with the division of forestry with DNR, he stated that he has had considerable fire fighting experience. He was offended by the Seattle Times Article written by Mitch Friedman, who's knowledge about fire is minimal. He indicated that a fire such as the Farewell Creek fire being pushed by high winds leaves little to do other than to back away and find a place far enough in advance to try to build a fire line, which is exactly what DNR did. He concurred with DNR's decision and asked that the Board recognize and ignore comments such as Mitch Friedman's who does not understand the elements of firefighting.

Chair Sutherland asked if there was anyone else present wishing to make comment before the Board? Seeing none, hearing none.

Meeting adjourned at 12:00 p.m.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2003

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Doug Sutherland, Commissioner of Public Lands

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Bob Nichols for Governor Gary Locke

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Bruce Bare, Dean, University of Washington

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R. James Cook, Dean, Washington State University (Interim)

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Terry Bergeson, Superintendent of Public Instruction

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Glen Huntingford, Commissioner, Jefferson County

Attest:

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Maureen Malahovsky, Board Coordinator